

paper of Eleventh Five Year Plan has expressed concern for economy's failure in attracting much needed Foreign Direct Investment to the tune of about 150 billion Dollars;

(b) if so, the reasons for less flow of FDI in the country; and

(c) the details of the efforts being made to attract more FDI in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) Does not arise.

(c) Government has placed a more transparent and liberal FDI policy. Most of the sectors have been put on automatic route except a few selective on negative list. Government reviews FDI policy from time to time.

Demand for micro-credit

2147. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that India's demand for micro-credit is Rs. five hundred billion and only Rs. 18 billion has so far been generated;

(b) whether World Bank's study of over 6,000 families in India's two largest States show that 87 per cent of them have no access to credit, whereas Grameen Bank of Bangladesh is catering to need of 66 lakh borrowers in more than 70,000 villages reportedly under guidance of its micro-credit pioneer Muhammad Yunus, recently awarded Noble Peace Prize; and

(c) if so, what remedial measures Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PAWAN KUMAR BANSAL): (a) Estimates for credit requirement of the poor in urban and rural areas range from Rs. 15,000 crore to Rs. 50,000 crores. Various credit programmes targeted at poor, among others, are under implementation in the country. They are, Differential Rate of Interest (DRI), Swaranjayanti Gram Swarozgar Yojana (SGSY),

Swaranjayanti Shehari Rozgar Yojana (SJSRY), Prime Minister Rozgar Yojana (PMRY), Kisan Credit Card (KCC), Self Help Groups (SHG)-Bank Linkage Programme, etc.

(b) According to the World Bank-NCAER Rural Finance Access Survey (RFAS, 2003), conducted in two States, 41.2 per cent of total households surveyed in Andhra Pradesh and Uttar Pradesh had an account with formal financial institutions.

(c) In order to ensure greater financial inclusion and provision of adequate banking facilities to poor, following instructions *inter-alia* have been issued by the Reserve Bank of India:

- (i) Mid term Review 2005-06 urges banks to align their policies to enable greater financial inclusion. Banks were advised to make available "No Frills account" with restricted transactions which may be made known to the customers in advance.
- (ii) Know your customers (KYC) procedure for opening accounts was simplified for those customers with bank balances less than Rs. 50,000 to Rs. 1,00,000.
- (iii) Banks have been advised to provide General Purpose Credit Cards with a maximum limit of Rs. 25,000 in rural and semi-urban areas for hassle free credit.
- (iv) Banking Correspondent and Business facilitator scheme introduced in January 2006 enables banks to use the services of Non-Governmental Organisations/Self Help Groups (NGOs/SHGs), Micro Finance Institutions (MFIs) and other Civil Society Organisations (CSOs) as intermediaries in providing financial and banking services through the use of Business Facilitator and Business Correspondent models.

Merger of Lord Krishna and Centurian Bank

2148. SHRI P.R. RAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Lord Krishna Bank and Centurian Bank are in the process of merger;